

**Report to RRG  
on  
Structure for Inclusion of  
BC in the RTO  
August 31, 2000**

# Objectives of Structure

- Achieve Order 2000 goals and objectives on a North American level (FERC's 'dotted line' vision)
- Provide seamless integration of transmission services in BC with the rest of the RTO transmission services
- Create a viable structure for BC participation with RTO West in a broadly-based RTO.
- Address BC provincial regulatory requirements (necessary for transmission providers in BC to participate)
- To keep differences between BC and the balance of the RTO to a minimum consistent with statutory and regulatory requirements
- Eliminate differences in business practices (integrate BC within the RTO with the same business practices)

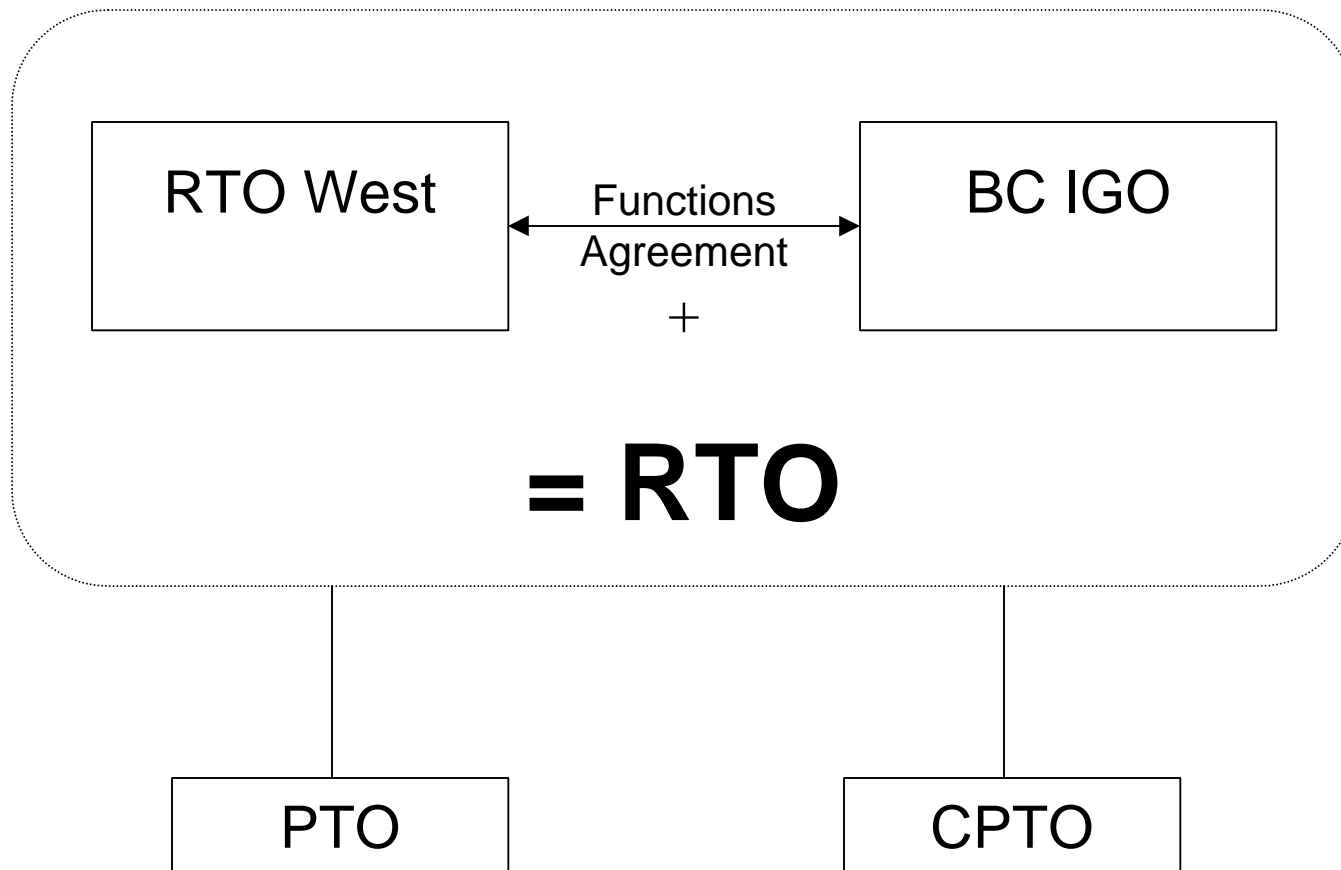
# Status of Discussions

- Transmission operators have concluded it can work operationally.
- Legal reviewers understand statutory and regulatory requirements
- A/S and CM work group participants have reviewed the structure in detail
  - concluded that structure is workable and there are no showstoppers

# Fundamentals

1. BC IGO **plus** RTO West **together** comprise **one RTO**, to provide collectively all RTO scope and functions in BC and PNW.
  - This is one RTO made up of two parts:  
**RTO** = RTO West + BC IGO
2. BC IGO will meet Order 2000 independence requirements.
  - BC IGO will be completely independent from BC Hydro and its affiliates
3. BC IGO will be regulated public utility in BC
4. BC arrangements subject to regulatory approval
5. BC IGO works with RTO West and stakeholders to develop standards and protocols

# View of RTO Structure including British Columbia



RTO West and a BC independent grid operator (BC IGO) can together comprise a single large RTO of appropriate scope and configuration

# What's the Same - I

- One RTO-wide tariff
  - RTO West will file the tariff with FERC and BC IGO will file with BCUC
- One set of business practices to implement the tariff
  - developed by RTO West for the region
- One RTO West web site used to reserve all wholesale transmission

## **What's the Same - II**

- One Ancillary Services Market
  - all SCs obtain Ancillary Services from one market of last resort
  - all A/S are deployed by RTO West
- One security coordinator (PNSC)
- One congestion management mechanism
  - deployed throughout RTO West
- One planning mechanism

## **What's the Same - III**

- RTO West handles region-wide process for:
  - Outage approval
  - Approval of operating procedures
  - Determining path limits
  - Calculating OTC/TTC
  - Setting standards
  - Loop flow
  - daily operating plan for A/S



## ***Only 3 Functional Differences Between IGO and ACC***

- Billing and Settlement
- GCC Technical Review and Operation
- The relationships between the SC's, RTO-West and the IGO

**These are based on statutory and  
regulatory requirements**

# **Billing and Settlement**

- For transmission services that fall within the BCUC jurisdiction, the BC IGO will have to be involved in the billing and settlement
- Intent to minimize BC IGO footprint

# **GCC Technical Review and Operation- I**

- **Technical Review**

- Operation and control of the provincial grid by a BC IGO is a regulatory necessity, but will coordinate with RTO West.
- IGO does security/reliability check of SC schedules in BC
  - No change to SC schedules under normal operating conditions
  - IGO has statutory requirement to deal with system emergencies and ensure reliability at all times

# **GCC Technical Review and Operation - II**

- **Technical Operation**

- For AS markets the IGO follows dispatch order as determined jointly by the SC's and the RTO-West
- The IGO offers a service on a comparable tariff basis for all SC's in BC to physically control generators following specific instructions from SC's
  - Some CM and A/S workgroup reviewers consider this service is a transition issue that should be reviewed after some period
- BC IGO does no economic optimization of dispatches within or among SC portfolios

# **Relationship between SC's, RTO-West and IGO**

- SC to RTO-West - no differences
- IGO to RTO-West - relationship set out in written agreement that specifies the performance of RTO functions by RTO-West and BC IGO
- SC to IGO - as per previous slides

# Conclusion and Recommendations

- Provide seamless integration of transmission services in BC with the rest of the RTO transmission services
- Structure to meet statutory and regulatory requirements in BC
- No commercial advantage to any market participants
- Continue to develop structure in preparation for October 15 filing
  - A/S workgroup preparing detailed appendix for the RTO West Single Control Area Model document.